

FOURTH

ANNUAL REPORT

OF

THE DIRECTORS

OF THE

RUTLAND AND BURLINGTON

Rail Road Company,

SUBMITTED TO THE STOCKHOLDERS, JUNE 18, 1851.

B O S T O N :

PRESS OF T. R. MARVIN, 42 CONGRESS STREET

1851.

OFFICERS OF THE CORPORATION,

JUNE 18, 1851.

BOARD OF DIRECTORS.

TIMOTHY FOLLETT, Burlington.
JOHN A. CONANT, Brandon.
ASA WENTWORTH, Jr., Bellows Falls.
JOHN BRADLEY, Burlington.
B. T. REED, Boston.
W. A. HARRINGTON, Boston.
C. J. HENDEE, Boston.

PRESIDENT.

TIMOTHY FOLLETT.

VICE PRESIDENT.

JOHN A. CONANT.

TREASURER.

PETER HARVEY, Boston.

ASSISTANT TREASURER AND CLERK.

SAMUEL SWIFT, Middlebury.

REPORT.

THE Directors of the Rutland and Burlington Rail Road Company respectfully submit to the Stockholders the following Report, showing the condition of their property, the receipts and expenditures of the road for the year ending June 1, 1851, together with suggestions and statements upon various topics known to be interesting to the Stockholders.

From the Treasurer's Report and Accounts, submitted to the Directors, it appears that the expenditures have been for :

Grading and Masonry, . . .	\$2,058,463 08	
Bridges,	91,082 80	
Superstructure,	922,621 52	
Land and Land Damages, . . .	151,857 06	
Fencing,	30,000 00	
Engineering,	90,756 27	
Stations, Buildings and Fixtures, . . .	85,817 92	
Cost of Road,		\$3,430,598 65
Cars,	197,768 79	
Locomotives,	116,109 80	
Tools,	10,768 53	
Cost of Furniture,		324,647 12
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		\$3,755,245 77

Amount brought over,		\$3,755,245	77
General Expenses and Preliminary			
Survey,	42,501	56	
Salaries,	38,360	53	
Real Estate,	18,145	56	99,007 65
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		\$3,854,253	42
There has also been paid for,—Dividends on Preferred Stock, Interest, Coupons, Discount on Bonds, and Sundry Accounts,		489,187	64
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		\$4,343,441	06

The means for which have been realized from

Capital Stock,		\$1,697,700	00
Preferred Stock, issued,	348,200	00	
on hand,	151,800	00	500,000 00
Bonds Payable,		1,550,288	25
Mortgage Bonds,		65,500	00
Notes Payable,		40,765	17
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		\$3,854,253	42
Notes Payable,		489,187	64
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		\$4,343,441	06

It appears from the Treasurer's books, that the construction account is charged at \$3,430,598 65—cost of the road.

This item includes the expense of running the detached portions of the Road in 1849, deducting the income ; and resulting in a considerable loss. It includes the expense of keeping the track in running order in 1849, and the winter and spring of 1850 ; and up to the date of the Treasurer's report, except that portion of the Road which had been previously graveled. The frequent and heavy rains, and severe frost, during the autumn of 1849, and the winter and spring of 1850, cannot have escaped your recollection. During this period a large force

was in constant employment to keep the track in passable condition, resting, as much of it did, upon a clay and loam road-bed, without sub-sills, or gravel, except in detached and limited quantities, to sustain it. It includes the heavy expense paid to contractors on their graveling contracts, and the expense of motive power in moving this and other material for the use of the Road. It includes the loss of bridges and masonry, and other serious damage to the Road occasioned by the unexampled floods of 1850. These damages have been thoroughly repaired, and in a manner which will probably protect us against a future recurrence of such a disaster. Other items, of less magnitude, it is unnecessary to detail.

The item of \$324,647 12 for Road Furniture, embraces the following, all in good order and repair.

Seventeen Locomotives, of the following description :

1—22 tons.	
3—20 “	
8—18 “	
1—16 “	
2—15 “	
2—14 “	
10 Passenger Cars.	
4 Baggage “	
220 Eight-Wheel Box Freight Cars.	
57 “ Platform “	
20 Four-Wheel Box Freight “	
57 Gravel “	

It appears from the Superintendent's Report, June 1, 1851, that the

Passenger Earnings for the year were	\$104,490 34
Freight “ “	103,640 79
Mails and Expresses,	12,220 00
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	\$220,351 13

The Current Expenses were as follows, viz :

Pay Roll,	46,555 13
Repairs of Engines,	10,634 81
“ “ Passenger Cars,	3,106 12
“ “ Freight “	11,984 11
“ “ Track,	27,157 46
“ “ Bridges,	452 26
Fuel, Oil, Waste, &c.	23,951 86
Stationery,	210 75
Miscellaneous,	3,939 17
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	\$127,991 67

Less materials on hand, consisting of

Wood, Tires, Wheels, Castings, Springs, &c.	50,250 00—77,741 67
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Net Earnings, \$142,609 46

Earnings of Rutland and Burlington Rail Road Co. 1850-51.

	Passengers.	Freight.	Mails.	Expresses.	Total.
1850.					
January, . .	\$5,818 30 }	\$8,188 55	\$850 00	\$120 00 }	\$20,003 43
February, . .	4,906 58 }			120 00 }	11,046 20
March, . . .	5,888 30	4,187 90	850 00	120 00	12,551 62
April, . . .	6,555 64	5,025 98	850 00	120 00	13,432 95
May,	5,754 62	6,708 33	850 00	120 00	15,235 29
June,	8,008 04	6,257 25	850 00	120 00	16,521 64
July,	9,565 12	5,956 52	850 00	150 00	22,919 97
August, . . .	12,953 62	8,966 35	850 00	150 00	22,361 46
September, .	11,323 98	10,037 48	850 00	150 00	26,812 33
October, . .	13,580 22	12,232 11	850 00	150 00	20,026 68
November, .	7,174 44	11,852 24	850 00	150 00	16,862 93
December, .	6,475 50	9,387 43	850 00	150 00	
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	\$98,004 36	\$88,800 14	\$9,350 00	\$1,620 00	\$197,774 50
1851.					
January, . .	6,057 43	6,094 18	850 00	200 00 }	24,494 59
February, . .	5,655 99	4,586 99	850 00	200 00 }	
March, . . .	7,337 31	5,891 14	850 00	200 00	14,278 45
April,	8,084 51	11,121 58	850 00	200 00	20,256 09
May,	8,274 18	11,257 52	850 00	200 00	20,581 70
June,					*28,000 00
					<hr/>
					\$305,385 33

First six months of 1850, 72,269 49
 “ “ “ “ 1851, 107,610 83

Increase, \$35,341 34—exceeds 50 per cent. on passengers and freight.

* The Returns of the 30th June show this amount.

Since your last meeting, SAMUEL HENSHAW, Esq., your late Treasurer, in consequence of ill health, has felt himself obliged to resign his office. The ability, faithfulness and financial skill with which that gentleman discharged the onerous duties of his office, entitles him to the approbation of every member of this Corporation. His accounts have been referred to a Committee of the Board, who have reported that every entry is found to be correct, and properly vouched. The same examination has been made, by a Committee appointed for that purpose, into the accounts of Samuel Swift, Esq., formerly Treasurer, now Assistant Treasurer, and with a similar result. The Treasurer's books are approved to the 30th April, and the Assistant Treasurer's books to the 1st of February of the present year.

Since the resignation of Mr. Henshaw, the Directors have appointed to the office of Treasurer of the Corporation, PETER HARVEY, Esq., of the city of Boston, a gentleman of ability and experience, and in whose hands we feel sure our interests will be faithfully protected.

The Legislature, at their last session, upon application, passed an act in addition to the act incorporating the Rutland and Burlington Rail Road Company, in which the Stockholders are authorized, at any annual meeting, to reduce the Board of Directors to such number as they may think proper, not less than seven. If a reduction is proposed or contemplated at this meeting, it is necessary that the number be designated and established by vote, before you proceed to an election.

The same act of the Legislature authorizes the Corporation to issue not exceeding five thousand shares of stock, guaranteeing a certain dividend, not exceeding eight per cent., for such term of time as might be deemed expedient. Under the authority thus given, as will appear from the Treasurer's Report, there has been issued 3,482 shares of this preferred stock, at \$100 per share, under the guarantee of the Company that it shall receive, for ten years, a semi-annual dividend of four per cent., payable in Boston, on the 1st of April and 1st of October in each year. At the expiration of ten years, the guarantee terminates, and the stock takes the character of ordinary stock. The Directors propose to issue the remainder of these five thousand shares as fast and whenever purchasers may appear; and they take this occasion to recommend to the Stockholders to avail themselves of the opportunity to take of this stock, as a perfectly safe and productive investment.

The Legislature of Vermont, at their last session, passed a general law, authorizing every Rail Road Corporation within the State, to issue their notes or bonds for the purpose of building or finishing their Roads, bearing such a rate of interest, not exceeding seven per cent., and secured in such manner as they may deem expedient.

Under your authority, the Directors had, previous to the 1st day of June, 1851, issued the notes or bonds of this Corporation to the amount of \$1,550,-288 25—payable in one, two, three, four, and five years from their date, bearing a semi-annual interest of three per cent., payable in Boston; and had disposed of the same and furnished them to contractors

at the minimum rate of ninety per cent. These notes or bonds commence to mature in October of the present year. Under all the circumstances of the case, and under the authority of the law just referred to, as well as your vote passed at the last annual meeting, the Directors resolved to issue notes to the amount of \$1,800,000, payable in twelve years from their date, bearing a semi-annual interest of three and a half per cent., payable in Boston ; and to secure the same by a mortgage on the Corporate property. This issue is pledged to redeem the entire amount of the previous outstanding notes or bonds, and the balance will be applied in liquidation of the floating debt. The Treasurer's account discloses, that of the mortgage bonds \$65,500 have been already issued, and that he has paid and cancelled \$73,500 of the outstanding six per cent. bonds, at rates averaging below the price of issue. It is proposed to continue the redemption of these six per cent. bonds, as fast as the resources of the Corporation will permit, and whenever they can be obtained on satisfactory terms.

At your last annual meeting, it was voted to issue the capital stock of the company in payment of interest due to Stockholders on their assessments, from the date when paid, up to January 1, 1850, when the road was opened for business. This interest is justly due, and grows out of the original terms of subscription. The mode of payment ordered by the Stockholders has been found unsatisfactory in many instances, and it has been deemed advisable to refer the question again to you. A plan will be submitted to your consideration in the form of a

resolution, which it is hoped will not only meet your approbation, but enable the Treasurer to settle, in a just manner and at an early day, this claim upon his department.

At Rutland we have completed an Engine House, finished in the most convenient and approved style, with a first class turn-table in the centre, and arranged to admit sixteen Locomotives. This building, it is believed, will be sufficient to accommodate not only our own but the other connecting Roads. A Machine Shop at Rutland has also been erected, and is finished and furnished with necessary tools, including a Stationary Engine of thirty-horse power. This necessary building was erected for the purpose of repairing our running furniture, and is found to be fully equal, at present, to our necessities and expectations, both with regard to Locomotives and Cars. These buildings take the place of temporary shanties, in which the work of repair for the two past winters has necessarily been performed, but at a great extra expense ; and we cannot fail to learn immediately from our repair account, that economy, safety, and security demanded and will fully justify their construction. Should an additional and more commodious Passenger and Freight House at that point become necessary, it is hoped and expected that these may be erected under an arrangement with the other Roads, to accommodate the business of all, and in which all will unite in the expense.

At Burlington, a Passenger Depot, an Engine House, sufficient to accommodate four locomotives, with turn-table, and a small Repair Shop are in process of construction. Our accommodations here, up

to the present time, have been of a temporary character, but will soon be supplied with others, of which we need not be ashamed, and which are to be justified upon strict principles of economy, if no other. Burlington furnishes a large proportion of the freight which comes to our Road from the Lake; and having no wharf, and no freight accommodations belonging to the Company, suitable provision has been made upon the wharves of individuals, by which this leading branch of our business is conducted with facility and economy. During the past year the station-houses at Chester and at Vergennes have been consumed by fire, with their contents. The Company have settled with the claimants the loss of property at Vergennes; and do not admit any liability for loss at Chester. The houses at both these stations are rebuilding; and at other points where needed through the line, will be constructed with as little delay as is consistent with due economy.

An understanding exists with the connecting Roads at Bellows Falls, to wit, the Cheshire, Sullivan, and Vermont Valley, by which the place and manner of uniting the several tracks, has been agreed upon, promising to be mutually advantageous, as it affords mutual connection for all. It is further contemplated to arrange the Depot buildings and place them at points near the junction, so as to afford to each Road an easy interchange of passengers.

The opening of the Vermont Valley Rail Road, now finished, and about to take her position in the line of Connecticut River Roads, is the last link

necessary to perfect our connection through that valley with the city of New York. It is already arranged to run daily trains between that city and Burlington. This Road also perfects the direct connection of ours, with the Roads in Massachusetts, Connecticut and Rhode Island ; and we cannot be mistaken in believing, will add greatly to the income of the Rutland and Burlington Rail Road. The obstacles heretofore existing at Castleton, by which the business and travel was seriously incommoded and delayed, have been recently removed, and the route from Boston and other portions of New England, to Saratoga, Schenectady, and the far West, over the Rutland and Burlington Road, is now open to the pleasure and enterprise of this great community. Nor must it be forgotten, that this Saratoga avenue places us, via the Sullivan and Passumpsic Roads, in a line with the great travel which, in the summer months, seeks for health and improvement, the stupendous White Mountains in New Hampshire. Other important lines approach completion. The Western Vermont Road, extending, with its connection, from Rutland to Troy, via Bennington, and the Rutland and Albany Road, extending from Rutland to Albany via Salem, it is expected, will be completed during the present year. These latter Roads bring us in direct connection, over the shortest line, with the Hudson River and with her markets, and with the city of New York, either through the navigation of that river, or by the Hudson River Rail Road, which connects with these lines at Troy and Albany, and is now nearly completed. It is a peculiar feature of

the Rutland and Burlington Rail Road, that it has no competing lines existing or in prospect. The country through which it passes, offers no reasonable facilities for another Road, and the business on its line demands none. Its multifarious Rail Road connections must always add to, and never diminish its regular business, and must sustain it in its commanding position in the great trunk line between the North and the South, the East and the West.

Arrangements have been concluded, by which it is agreed that the Rutland and Washington Rail Road, terminating at Rutland, shall enter upon our Depot grounds, over their own independent track. The same is true also of the several Roads terminating upon our Depot grounds at Bellows Falls.

The Legislature of Vermont, at their session in October, 1850, by an addition to the charter of the Rutland and Burlington Rail Road Company, authorized them to extend their Road from Burlington to Swanton, there to connect with the Vermont and Canada Rail Road, and, under certain regulations, to widen the road-bed of said Vermont and Canada Rail Road from such point of connection to its western terminus, and lay another track, if the Vermont and Canada Rail Road Company should omit to do so. This act was submitted to the Stockholders at a meeting specially called for that purpose, and holden at Bellows Falls on the 6th day of February last; and after a very full discussion of its merits, was approved and adopted without a dissenting vote.

It is not intended, on this occasion, to discuss in detail the great subject matter involved in this im-

portant addition to our charter. It ought nevertheless to be stated, that the grant, if it can be made available, secures to us, at all seasons of the year, direct, easy and independent access to the great business of the West, reaching Lake Champlain over the Ogdensburg Rail Road ; and also brings us in connection with the lines of rail road, building and projected, by the way of St. Johns to the city of Montreal. *Our own* interest is deeply involved in this measure ; and the Legislature, with extraordinary unanimity, and after a most unscrupulous and violent opposition to the bill, believed the *public* interest equally involved. Experience during the past winter months,—that whole period which intervenes between the close of navigation in the fall and the opening in the spring,—demonstrated to us fully the *propriety*, or we may say, perhaps, the absolute *necessity*, of securing to ourselves the privileges contemplated in this grant. And this necessity became quite as apparent to the traveling public and the business community, as to ourselves. The narrow policy of rejecting us from all participation in the line between Burlington and Rouse's Point was adopted and persevered in by the Vermont and Canada and Vermont Central Roads, and we were compelled to resort to the expensive and uncomfortable expedient of forwarding our passengers, at this inclement season of the year, a distance of twenty-four miles by stage. No interchange of freight was permitted.

Exposure to similar embarrassments and expenses must remain, while the present state of things exists. We cannot reach the great point of Northern and

Western business and travel, during the suspension of Lake navigation, except in the mode contemplated in this grant ; unless, forsooth, we are kindly permitted to do so, by a party which as yet has been rather disposed to *withhold* than to dispense favors, to an interest which they choose to regard as rival to their own. No reliance can be safely placed upon an assumption like this. We must have our own, and that independently, or sit down calmly, and contentedly if we can, silent witnesses of the depredations which others choose to make upon our rights. So believed the Stockholders, when they unanimously voted to accept and adopt the addition to the charter ; and with the foresight and wisdom which has invariably characterized their proceedings, they authorized the Directors to pursue a course of measures which, while it would secure a completion of the work, would best promote, as they believed, the true interests of the Stockholders. Under the authority thus given, your Board adopted measures which, if carried out, would have accomplished the object during the present year, in all probability, and added no very serious amount to the present liabilities of the Company.

An unexpected difficulty, however, has been thrown in our way, through the instrumentality, we believe, of the Vermont and Canada and Vermont Central Rail Roads. An individual in their employment, holding five shares of our stock, has been induced to prefer his complaint before the Judge of the Fourth Judicial District, setting forth in substance, that as a Stockholder in the Rutland and Burlington Rail Road Company, he is opposed to

the extension of said Road under the act of 1850 ; and asks the Judge, as Chancellor for the District, to enjoin the Corporation from proceeding with the work. The Chancellor has complied with the request, and our proceedings have thereby been necessarily suspended, though by no means abandoned, unless the Stockholders reverse the order heretofore given on the subject. The faith of the Directors in the validity of the grant, and the right of the Company to proceed in the manner proposed, is not in the slightest degree shaken by the decision of the Judge. The question will be carried to a higher judicial tribunal ; and although we are forced to suffer great damage by the delay, we have no fear but that this extraordinary decision will be at once reversed.

T. FOLLETT, *President.*

ANNUAL MEETING.

THE Annual Meeting of the RUTLAND AND BURLINGTON RAIL ROAD COMPANY was held at Brandon, on the third Tuesday, being the 18th day of June, 1851.

The President presented the Report of the Directors for the year past, together with the Treasurer's and Superintendent's Reports.

The following resolutions were unanimously adopted :—

Resolved, That the vote passed at the last annual meeting, authorizing the payment of the interest due on stock, in stock certificates, be and the same is hereby rescinded.

Resolved, That the interest due on the stock to January 1, 1850, with the addition of ten per cent., be settled by the issue of scrip certificates, payable in four years from September 1, 1851, and drawing interest at six per cent. per annum, payable annually: said scrip to be issued only in sums of even hundreds of dollars. Amounts less than one hundred dollars may be consolidated, and scrip issued as above stated, or stockholders having interest due less than one hundred dollars, shall be entitled to scrip, on payment to the Treasurer of the difference between such amount and one hundred dollars.

Resolved, That the thanks of this Corporation be tendered to Nathan Rice and John Howe, Esqs., of Boston, for their eminent and faithful services in behalf of this Corporation.

Resolved, That the number of Directors be reduced to seven.

The following persons, having the highest number of votes, were elected Directors for the year ensuing, viz:—Timothy Follett, John Bradley, John A. Conant, Benjamin T. Reed, Willard A. Harrington, Charles J. Hendee, and Asa Wentworth, Jun.

The following resolution was introduced :—

That a Committee of Three be appointed on the part of the Rutland and Burlington Rail Road, to meet a similar Committee on the

part of the Cheshire Rail Road, whenever such Committee shall be appointed, to consult upon and make such recommendations, for the after consideration and adoption of the two Roads, as shall be for their mutual benefit and interests in relation to the running of said Roads, and all business transactions; and also, if deemed advisable, to suggest any plan for uniting the two Roads, that there may be but one interest on the whole line.

Whereupon, *Resolved*, That said resolution be referred to the Board of Directors for their consideration and action.

The following resolutions were unanimously adopted:—

Resolved, That an easy, sure, and speedy connection of the business to and from the North and West, is urgently demanded by the public, for the accommodation of a large and rapidly increasing trade, and commends itself strongly to the favor of the stockholders of railroads leading from Burlington, via Rutland, to the Eastern and Southern markets.

Resolved, That all attempts to delay or defeat this enterprise, are injurious to great public interests, and unjust to the capital invested, and ought to be resisted, at any expense and at every hazard.

Resolved, That the Directors of this Road be required to use their best exertions for the extension of the Road from Burlington to Swanton; and they are hereby authorized and empowered to adopt such measures as they shall deem necessary to accomplish that object.

Resolved, That the thanks of this Corporation be presented to Samuel Henshaw, Esq., who has so faithfully and satisfactorily discharged the duties of Treasurer of this Corporation.

Adjourned without day.

SAMUEL SWIFT, CLERK.

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